

**CITY OF BISMARCK EMPLOYEES PENSION FUND
INVESTMENT PERFORMANCE REPORT AS OF JULY 31, 2008**

	July-08				Current	Prior Year	3 Years	5 Years
	Market Value	Allocation	Policy	Month	Fiscal YTD	FY08	Ended	Ended
				Net ROR	Net ROR	Net	6/30/2008	6/30/2008
LARGE CAP DOMESTIC EQUITY								
<i>Structured Growth</i>								
LA Capital	1,357,044	2.8%	2.8%	-1.18%	-1.18%	-6.96%	8.22%	N/A
Total Structured Growth	1,357,044	2.8%	2.8%	-1.18%	-1.18%	-6.96%	8.22%	10.32%
<i>Structured Value</i>								
LSV	1,213,114	2.5%	2.8%	-0.19%	-0.19%	-22.29%	3.56%	11.19%
Russell 1000 Value				-0.36%	-0.36%	-18.78%	3.53%	8.92%
<i>Enhanced Russell 1000 Index</i>								
LA Capital	1,101,983	2.2%	2.3%	-1.72%	-1.72%	-10.70%	6.55%	9.03%
Russell 1000				-1.16%	-1.16%	-12.36%	4.81%	8.22%
<i>Enhanced S&P 500 Index</i>								
Northern Trust	512,167	1.0%	1.2%	-0.49%	-0.49%	-15.84%	3.14%	6.72%
Westridge	1,143,160	2.3%	2.6%	-0.73%	-0.73%	-12.25%	4.94%	8.02%
Wells Capital	879,169	1.8%	2.0%	-3.81%	-3.81%	-31.59%	N/A	N/A
European Credit Management	541,936	1.1%	1.2%	-3.19%	-3.19%	N/A	N/A	N/A
Prudential	630,648	1.3%	1.3%	-1.17%	-1.17%	N/A	N/A	N/A
Franklin	537,073	1.1%	1.2%	-0.90%	-0.90%	-13.65%	N/A	N/A
Total Enhanced S&P 500 Index	4,244,152	8.6%	9.5%	-1.76%	-1.76%	-18.66%	2.40%	6.45%
S&P 500				-0.84%	-0.84%	-13.12%	4.41%	7.58%
<i>Absolute Return Strategy</i>								
Epoch	588,869	1.2%	1.2%	-2.04%	-2.04%	-6.84%	N/A	N/A
S&P 500				-0.84%	-0.84%	-13.12%		
<i>S&P 500 Index</i>								
State Street	636,894	1.3%	1.4%	-1.16%	-1.16%	-18.23%	2.99%	6.70%
S&P 500				-0.84%	-0.84%	-13.12%	4.41%	7.58%
TOTAL LARGE CAP DOMESTIC EQUITY	9,142,056	18.5%	20.0%	-1.44%	-1.44%	-16.11%	4.22%	8.17%
S&P 500				-0.84%	-0.84%	-13.12%	4.41%	7.58%
SMALL CAP DOMESTIC EQUITY								
<i>Manager-of-Managers</i>								
SEI	3,993,116	8.1%	8.6%	1.18%	1.18%	-22.41%	1.06%	8.52%
Russell 2000 + 200bp				3.87%	3.87%	-14.48%	5.88%	12.50%
Callan	1,685,365	3.4%	3.4%	0.49%	0.49%	-15.44%	N/A	N/A
Russell 2000				3.70%	3.70%	-16.19%		
TOTAL SMALL CAP DOMESTIC EQUITY	5,678,481	11.5%	12.0%	0.97%	0.97%	-20.36%	2.11%	9.20%
Russell 2000				3.70%	3.70%	-16.19%	3.79%	10.29%
INTERNATIONAL EQUITY								
<i>Large Cap - Core</i>								
State Street	516,114	1.0%	1.1%	-3.73%	-3.73%	-13.11%	12.40%	14.27%
MSCI EAFE (1)				-3.21%	-3.21%	-10.61%	12.84%	14.86%
<i>Large Cap - Active</i>								
Capital Guardian	1,589,666	3.2%	3.3%	-3.93%	-3.93%	-13.89%	11.58%	14.15%
LSV	1,495,417	3.0%	3.3%	-2.78%	-2.78%	-23.98%	8.07%	N/A
Total Large Cap - Active	3,085,083	6.3%	7.7%	-3.38%	-3.38%	-20.05%	9.04%	13.03%
MSCI EAFE - 50% Hedged				-2.64%	-2.64%	-15.14%	10.93%	14.67%
<i>Small Cap - Active</i>								
DFA	501,376	1.0%	1.1%	-0.44%	-0.44%	N/A	N/A	N/A
Wellington	511,553	1.0%	1.1%	-5.49%	-5.49%	-15.19%	9.83%	16.11%
Total Small Cap - Active	1,012,928	2.1%	2.2%	-3.00%	-3.00%	-15.60%	9.53%	16.89%
S&P/Citigroup BMI EPAC < \$2BN				-4.30%	-4.30%	-19.12%	10.36%	19.26%
TOTAL INTERNATIONAL EQUITY	4,614,125	9.4%	11.0%	-3.33%	-3.33%	-18.47%	9.51%	13.93%
MSCI EAFE - 50% Hedged				-2.64%	-2.64%	-15.14%	10.93%	14.67%
EMERGING MARKETS EQUITY								
<i>Core</i>								
JP Morgan	157,582	0.3%	0.3%	-3.11%	-3.11%	3.57%	N/A	N/A
PanAgora	160,810	0.3%	0.3%	-3.88%	-3.88%	7.21%	N/A	N/A
WestLB	165,527	0.3%	0.3%	-4.13%	-4.13%	11.12%	N/A	N/A
UBS	216,587	0.4%	0.6%	-4.18%	-4.18%	5.82%	N/A	N/A
Total Core	700,507	1.4%	1.6%	-3.87%	-3.87%	6.87%	27.76%	29.00%
MSCI Emerging Markets				-3.69%	-3.69%	4.89%	27.52%	22.84%
<i>Small Cap</i>								
DFA	164,822	0.3%	0.4%	-1.57%	-1.57%	-13.68%	N/A	N/A
MSCI Emerging Markets				-3.69%	-3.69%	4.89%		
<i>Private Equity</i>								
Capital International	59,937	0.1%	0.1%	0.00%	0.00%	N/A	N/A	N/A
MSCI Emerging Markets								
TOTAL EMERGING MARKETS EQUITY	925,265	1.9%	2.0%	-3.25%	-3.25%	2.99%	27.07%	28.58%
MSCI Emerging Markets				-3.69%	-3.69%	4.89%	27.52%	30.15%

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		Actual		Net ROR	Net ROR		6/30/2008	6/30/2008
							Net	Net
DOMESTIC FIXED INCOME								
Core Bond								
Western Asset	1,143,768	2.3%	2.2%	-2.53%	-2.53%	-0.30%	1.78%	2.90%
Lehman Aggregate				-0.08%	-0.08%	7.12%	4.09%	3.86%
Index								
Bank of ND	1,814,014	3.7%	3.9%	0.04%	0.04%	7.70%	3.93%	3.57%
Total Index	1,814,014	3.7%	3.9%	0.04%	0.04%	7.70%	4.17%	3.91%
Lehman Gov/Credit				0.00%	0.00%	7.24%	3.84%	3.58%
Enhanced								
Westridge	1,081,975	2.2%	1.9%	0.92%	0.92%	N/A	N/A	N/A
Lehman Aggregate				-0.08%	-0.08%			
Convertibles								
Calamos (2)	1,210,409	2.5%	2.2%	-1.31%	-1.31%	-2.86%	N/A	N/A
Total Convertibles	1,210,409	2.5%	2.2%	-1.31%	-1.31%	-2.86%	4.55%	2.71%
Merrill Lynch All Convertibles (3)				-3.13%	-3.13%	-6.36%	5.72%	6.36%
BBB Average Quality								
Wells Capital	1,480,705	3.0%	2.2%	-0.60%	-0.60%	3.70%	3.26%	4.56%
Lehman BBB				-0.67%	-0.67%	2.62%	2.52%	3.44%
Senior Debt								
PIMCO	200,831	0.4%	2.2%	N/A	N/A	N/A	N/A	N/A
Lehman Aggregate				-0.08%	-0.08%	7.12%		
Private Debt								
Prudential	1,184,711	2.4%	2.2%	0.27%	0.27%	3.32%	3.41%	N/A
Lehman Aggregate				-0.08%	-0.08%	7.12%		
Timberland								
TIR - Teredo (4)	1,477,416	3.0%	3.0%	-0.05%	-0.05%	22.02%	15.15%	14.07%
TIR - Springbank	3,250,777	6.6%	6.6%	-0.14%	-0.14%	15.25%	18.41%	N/A
Total Timberland	4,728,193	9.6%	9.6%	-0.11%	-0.11%	17.50%	17.86%	21.14%
NCREIF Timberland Index				0.34%	0.34%	19.96%	17.12%	14.70%
Infrastructure								
JP Morgan	2,286,976	4.6%	4.6%	-0.13%	-0.13%	13.28%	N/A	N/A
Lehman Aggregate				-0.08%	-0.08%	7.12%	4.09%	3.86%
TOTAL DOMESTIC FIXED INCOME								
	15,131,581	30.7%	29.0%	-0.32%	-0.32%	9.02%	8.15%	9.65%
Lehman Aggregate				-0.08%	-0.08%	7.12%	4.09%	3.86%
HIGH YIELD BONDS								
Core								
Loomis Sayles	1,457,655	3.0%	2.3%	-1.44%	-1.44%	-1.43%	5.39%	N/A
Sutter/Wells Capital	1,286,165	2.6%	2.3%	-1.35%	-1.35%	-6.12%	2.58%	N/A
Total Core	2,743,820	5.6%	4.7%	-1.40%	-1.40%	-3.71%	4.01%	4.88%
LB High Yield 2% Issuer Constrained Index				-1.25%	-1.25%	-1.75%	4.48%	N/A
Mezzanine Debt								
Goldman Sachs 2006 Fund	83,403	0.2%	0.2%	0.00%	0.00%	-3.89%	N/A	N/A
Goldman Sachs Fund V	112,577	0.2%	0.2%	0.00%	0.00%	N/A	N/A	N/A
TCW	199,223	0.4%	0.4%	0.00%	0.00%	7.26%	N/A	N/A
Total Mezzanine Debt	395,203	0.8%	0.8%	0.00%	0.00%	0.49%	N/A	N/A
LB High Yield 2% Issuer Constrained Index				-1.25%	-1.25%	-1.75%		
Distressed Mortgages								
PIMCO	196,269	0.4%	0.4%	0.00%	0.00%	N/A	N/A	N/A
Declaration Management	49,915	0.1%	0.1%	0.96%	0.96%	N/A	N/A	N/A
Total Distressed Mortgages	246,184	0.5%	0.5%	0.22%	0.22%	N/A	N/A	N/A
LB High Yield 2% Issuer Constrained Index				-1.25%	-1.25%			
TOTAL HIGH YIELD BONDS	3,385,207	6.9%	6.0%	-1.15%	-1.15%	-4.27%	3.82%	6.32%
LB High Yield 2% Issuer Constrained Index				-1.25%	-1.25%	-1.75%	4.48%	6.88%
INTERNATIONAL FIXED INCOME								
International Sovereign								
UBS Global (Brinson)	2,311,225	4.7%	4.8%	0.37%	0.37%	17.24%	5.56%	6.49%
Citigroup Non-US Gov't Bond Index (5)				0.16%	0.16%	18.73%	6.63%	7.04%
International Core								
Brandywine	2,456,705	5.0%	4.8%	0.85%	0.85%	10.78%	7.06%	8.51%
Lehman Global Aggregate (ex-US)				0.27%	0.27%	16.53%	7.88%	7.38%
TOTAL INTERNATIONAL FIXED INCOME	4,767,930	9.7%	9.5%	0.62%	0.62%	13.90%	6.31%	7.50%
Citigroup Non-US Gov't Bond Index (5)				0.16%	0.16%	18.73%	6.66%	7.06%
REAL ESTATE								
INVESCO - Core	2,251,536			-0.03%	-0.03%	8.27%	N/A	N/A
INVESCO - Fund II	49,097			0.00%	0.00%	N/A	N/A	N/A
J.P. Morgan Strategic & Special Funds	2,124,890			-0.22%	-0.22%	5.69%	15.27%	15.26%
J.P. Morgan Alternative Property Fund	571,436			-0.20%	-0.20%	4.59%	N/A	N/A
J.P. Morgan Greater China Property Fund	54,674			0.00%	0.00%	N/A	N/A	N/A
TOTAL REAL ESTATE	5,051,633	10.2%	9.5%	-0.13%	-0.13%	6.31%	15.27%	15.26%
NCREIF TOTAL INDEX				0.19%	0.19%	9.20%	14.82%	14.63%

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	Actual	Policy	Net ROR			Net	Net
ALTERNATIVE INVESTMENTS							
Coral Partners V	12,818		0.00%	0.00%	9.09%	5.22%	-8.23%
Coral Partners V - Supplemental	1,497		0.00%	0.00%	-6.34%	3.94%	6.41%
Coral Momentum Fund (Formerly Fund VI)	21,483		0.00%	0.00%	13.96%	-3.63%	-7.09%
Brinson 1998 Partnership Fund	1,521		0.00%	0.00%	6.92%	17.74%	16.40%
Brinson 1999 Partnership Fund	4,593		0.00%	0.00%	13.32%	15.81%	14.25%
Brinson 2000 Partnership Fund	15,411		0.00%	0.00%	21.82%	21.03%	17.78%
Brinson 2001 Partnership Fund	12,967		0.00%	0.00%	2.23%	12.37%	9.49%
Brinson 2002 Partnership Fund	7,052		0.00%	0.00%	3.20%	14.93%	10.72%
Brinson 2003 Partnership Fund	2,415		0.00%	0.00%	-6.42%	16.42%	8.89%
Total Brinson Partnership Funds	43,959		0.00%	0.00%	13.85%	17.75%	14.80%
Brinson 1999 Non-US Partnership Fund	2,180		0.00%	0.00%	-9.78%	38.86%	33.76%
Brinson 2000 Non-US Partnership Fund	5,286		0.00%	0.00%	27.03%	38.56%	28.82%
Brinson 2001 Non-US Partnership Fund	3,571		0.00%	0.00%	13.44%	15.89%	14.66%
Brinson 2002 Non-US Partnership Fund	9,054		0.00%	0.00%	14.08%	43.86%	31.81%
Brinson 2003 Non-US Partnership Fund	7,749		0.00%	0.00%	24.92%	42.47%	23.29%
Brinson 2004 Non-US Partnership Fund	3,721		0.00%	0.00%	29.16%	25.88%	N/A
Total Brinson Non-US Partnership Fund	31,561		0.00%	0.00%	18.83%	37.12%	28.34%
Adams Street 2008 Non-US Partnership Fd	583		0.00%	0.00%	N/A	N/A	N/A
Brinson BVCF IV	21,560		0.00%	0.00%	-1.94%	7.62%	9.88%
Adams Street Direct Co-investment Fund	23,698		0.00%	0.00%	4.06%	N/A	N/A
Matlin Patterson Global Opportunities	11,728		0.00%	0.00%	-29.56%	-11.62%	9.60%
Matlin Patterson Global Opportunities II	49,770		0.00%	0.00%	-5.55%	8.69%	N/A
Matlin Patterson Global Opportunities III	24,648		0.00%	0.00%	-20.02%	N/A	N/A
InvestAmerica	11,824		0.00%	0.00%	27.36%	13.22%	1.67%
Hearthstone MSII	128		0.00%	0.00%	-62.01%	-100.00%	-100.00%
Hearthstone MSIII	2,223		0.00%	0.00%	-10.75%	63.82%	N/A
Corsair III	20,872		0.00%	0.00%	64.04%	N/A	N/A
Corsair III - ND Investors LLC	14,967		0.00%	0.00%	N/A	N/A	N/A
Quantum Resources	4,476		0.00%	0.00%	-52.44%	N/A	N/A
Quantum Energy Partners	3,762		0.00%	0.00%	-3.17%	N/A	N/A
TOTAL ALTERNATIVE INVESTMENTS (6)	301,556	0.6%	1.0%	0.00%	0.00%	3.86%	10.51%
CASH EQUIVALENTS							
Northern Trust STIF/STEP	336,326	0.7%	0.0%	0.19%	0.19%	0.70%	2.76%
90 Day T-Bill				0.18%	0.18%	3.63%	4.27%
TOTAL FUND	49,334,160	100.0%	100.0%	-0.67%	-0.67%	0.06%	8.52%
POLICY TARGET BENCHMARK				-0.17%	-0.17%	1.36%	6.85%

NOTE: Monthly returns and market values are preliminary and subject to change.

(1) This benchmark was changed to the MSCI EAFE (unhedged) as of December 1, 2004.

(2) TCW was terminated on September 22, 2006. The portfolio was transferred to Calamos on October 5, 2006.

(3) Prior to January 1, 2005, the benchmark was the First Boston Convertible Index.

(4) Prior to June 1, 2006, the Toledo properties were under the management of RMK.

(5) Previously this benchmark was titled Salomon Brothers Non-US Gov't Bond Index.

(6) Because of the variation in fee calculations in Alternative Investments, only net returns will be shown until June of each year when actual